

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on February 20, 2003 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Jim Keane, Vice Chairman (D)
Rep. Donald Steinbeisser, Vice Chairman (R)
Rep. Bob Bergren (D)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Ray Hawk (R)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Gary Matthews (D)
Rep. Scott Mendenhall (R)
Rep. Penny Morgan (R)
Rep. Allen Rome (R)
Rep. Sandy Weiss (D)
Rep. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Alberta Strachan, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 636; HB 635; HB 634; HB 638 (all on 1/31/03)
Executive Action: HB 619 Do Pass As Amended; HB 603 Table; HB 636 Do Pass As Amended

and Consent; HB 635 Do Pass and
Consent

HEARING ON HB 636

Sponsor: REP. GARY L. FORRESTER, HD 16, Billings

Opening Statement by Sponsor:

REP. FORRESTER read the title of the bill: An act revising the laws governing tow trucks and the tow truck law enforcement rotation system. It establishes certification requirements for tow truck operators to qualify for participation in the tow truck law enforcement rotation system. It identifies manufacturer's boom ratings for tow truck classification and requires the establishment of the tow truck Law Enforcement Rotation System Complaint Resolution Committee.

{Tape: 1; Side: A; Approx. Time Counter: 47 - 60}

Proponents' Testimony:

Bob Gilbert, Montana Tow Truck Association, explained the changes in the bill and provided amendments.

EXHIBIT (buh38a01)

{Tape: 1; Side: A; Approx. Time Counter: 60 - 147}

LeRoy Matthews, Crash Repair Center, Livingston and Vice President, Montana Tow Truck Association, talked about the dispatch regulations.

{Tape: 1; Side: A; Approx. Time Counter: 147 - 171}

Don Cerovski, Serrill Brothers, Belgrade, explained the insurance provisions of this bill.

{Tape: 1; Side: A; Approx. Time Counter: 171 - 199}

Carl Halcro, Owner, Carl's Exxon and President, Great Falls Tow Truck Association, said he supports this bill.

{Tape: 1; Side: A; Approx. Time Counter: 199 - 206}

Jim Dusenberry, J & D Truck Repair & Towing, Helena and President, Montana Tow Truck Association, said this bill results from a long process of looking at the problems they have had. After consulting the other tow truck operators to get their ideas and to meet their needs, the legislation was established. He then spoke of the rotation system. **Mr. Dusenberry** also supplied written testimony from Frank Stoltz, Frank's Body Shop, Miles

City; Dee Jay Bee, Billings Towing & Repair; and Donald J. Blyton, Jr.

EXHIBIT (buh38a02)

EXHIBIT (buh38a03)

EXHIBIT (buh38a04)

{Tape: 1; Side: A; Approx. Time Counter: 206 - 251}

Don Frownfelter, Bolster's Towing, Kalispell, said he supported the signing on the doors of the tow trucks and wreckers. People need to know what company has been dispatched if law enforcement has called a wrecker.

{Tape: 1; Side: A; Approx. Time Counter: 251 - 268}

Ali Bovington, Assistant Attorney General, Montana Highway Patrol, Department of Justice, said this bill would clarify the regulations governing tow trucks and the eligibility criteria for the rotation system which is administered by the Montana Highway Patrol.

{Tape: 1; Side: A; Approx. Time Counter: 268 - 278}

Tom McGree, Milo's Towing & Repair, Butte and Helena resident, supplied written testimony.

EXHIBIT (buh38a05)

{Tape: 1; Side: A; Approx. Time Counter: 278 - 337}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. MENDENHALL asked Mr. Gilbert about the rotation system and the current insurance regulations.

{Tape: 1; Side: A; Approx. Time Counter: 337 - 408}

Closing by Sponsor:

The sponsor closed.

{Tape: 1; Side: A; Approx. Time Counter: 408 - 434}

HEARING ON HB 635

Sponsor: **REP. GARY L. FORRESTER, HD 16, Billings**

Opening Statement by Sponsor:

REP. FORRESTER said this bill revised the laws relating to abandoned, wrecked, and disabled vehicles. It also allows certain abandoned vehicles to be disposed of in the same manner as junk vehicles. This bill would permit a qualified tow truck operator to obtain a certificate of release and a certificate of ownership for certain abandoned, wrecked or damaged vehicles.
{Tape: 1; Side: A; Approx. Time Counter: 434 - 459}

Proponents' Testimony:

Bob Gilbert, Montana Recyclers Association, explained the changes in the bill.

{Tape: 1; Side: A; Approx. Time Counter: 459 - Tape: 1; Side: B; Approx. Time Counter: 29}

Jim Dusenberry, J & D Towing & Repair, Helena, distributed some pictures regarding the condition of wrecked cars prior to taking them to a salvage yard.

{Tape: 1; Side: B; Approx. Time Counter: 30 - 84}

Dennis Frownfelter, Bolster's Towing, Kalispell, said he also supported this bill.

{Tape: 1; Side: B; Approx. Time Counter: 84 - 93}

Carl Halcro, Owner, Carl's Exxon, said he also supports this bill and distributed some pictures.

{Tape: 1; Side: B; Approx. Time Counter: 93 - 97}

Casey Collins, A-1 Towing, Helena, said this bill will help streamline their business.

{Tape: 1; Side: B; Approx. Time Counter: 97 - 103}

Opponents' Testimony: None

Informational Testimony:

Wade Cooperider, Montana Sheriff's and Peace Officers Association, said he would answer questions of the committee.

Questions from Committee Members and Responses:

REP. MORGAN asked Mr. Gilbert about selling junk cars to junkyards if they are going to be parted out. **Mr. Gilbert** said some of these vehicles are so bad the recyclers do not want them.
{Tape: 1; Side: B; Approx. Time Counter: 103 - 126}

REP. BERGREN said he was disappointed to see that the definition of "junk vehicle" pertained to the cars he owned. He asked if there is a six-month waiting period if someone calls to have a junk vehicle picked up. He also asked if ownership then reverts to the tow truck operator. **Mr. Gilbert** said the car must be unlicensed and not in running condition.

{Tape: 1; Side: B; Approx. Time Counter: 120 - 148}

Closing by Sponsor:

The sponsor closed.

{Tape: 1; Side: B; Approx. Time Counter: 148 - 163}

EXECUTIVE ACTION ON HB 619

Motion: **REP. MAEDJE** moved that HB 619 DO PASS.

Motion: **REP. MAEDJE** moved that HB 619 BE AMENDED.

EXHIBIT (buh38a06)

Discussion:

REP. MAEDJE explained the amendments.

Vote: Motion carried 18-0.

Motion/Vote: **REP. MAEDJE** moved that HB 619 DO PASS AS AMENDED. A roll call vote was taken. Motion carried 14-4 with REPS. McKENNEY, BITNEY, BOOKOUT-REINICKE, and LAWSON voting no.

EXECUTIVE ACTION ON HB 603

Motion: **REP. BITNEY** moved that HB 603 DO PASS.

Discussion:

REP. GALVIN-HALCRO submitted written testimony from Keith Olson, Executive Director, Montana Logging Association, and information from Contractors or Materialmen.

EXHIBIT (buh38a07)

EXHIBIT (buh38a08)

REP. STEINBEISSER presented written testimony from John T. Cadby, President, Montana Bankers' Association.

EXHIBIT (buh38a09)

CHAIRMAN MCKENNEY advised the Committee to disregard the Gallik amendment.

EXHIBIT (buh38a10)

Motion: **REP. GALVIN-HALCRO** moved **HB 603 CONCEPTUAL AMENDMENT and AMENDMENT**.

EXHIBIT (buh38a11)

Discussion:

REP. MENDENHALL opposed the amendment in Exhibit 11.

REP. BOOKOUT-REINICKE supported the amendment.

Vote: Motion that **HB 603 CONCEPTUAL AMENDMENT and AMENDMENT** (Exhibit 11) carried 15-3 with **REPS. LAWSON, MATTHEWS, and MENDENHALL** voting no by roll call vote.

Motion/Vote: **REP. GALVIN-HALCRO** moved that **HB 603 DO PASS AS AMENDED**. Motion failed 7-11 with **REPS. KEANE, BERGREN, BOOKOUT-REINICKE, GALLIK, GALVIN-HALCRO, WEISS, and WILSON** voting aye by roll call vote.

HB 603 WAS TABLED AND THE VOTE REVERSED to 11-7 with **REPS. KEANE, BERGREN, BOOKOUT-REINICKE, GALLIK, GALVIN-HALCRO, WEISS, and WILSON** voting no.

EXECUTIVE ACTION ON HB 635

Motion/Vote: **REP. MORGAN** moved that **HB 635 DO PASS**. Motion carried 18-0.

Motion/Vote: **REP. MORGAN** moved that **HB 636 BE PLACED ON CONSENT CALENDAR**. Motion carried 18-0.

EXECUTIVE ACTION ON HB 636

Motion: **REP. KEANE** moved that **HB 636 DO PASS**.

Motion/Vote: **REP. KEANE** moved **HB 636 AMENDMENTS**. Motion carried 18-0.

Motion/Vote: **REP. KEANE** moved that **HB 636 DO PASS AS AMENDED**. A roll call vote was taken. Motion carried 18-0.

Motion/Vote: REP. KEANE moved HB 636 BE PLACED ON CONSENT CALENDAR. Motion carried 18-0 by roll call vote.

HEARING ON HB 634

Sponsor: REP. CHRISTINE KAUFMANN, HD 53, Helena

Opening Statement by Sponsor:

REP. KAUFMANN said this bill revises the law on warranties for used motor vehicles. It also provides definitions prohibiting certain practices by dealers and created warranties on certain used motor vehicles. This bill allows consumers to waive the right to a warranty. It also provides repair or return of certain used motor vehicles as well as refunds for consumers.

{Tape: 2; Side: A; Approx. Time Counter: 239 - 358}

Proponents' Testimony:

Ai Matsouka, Carroll College student, Helena, told of her experiences with purchasing a car. Within two days of purchase, there was engine trouble. She also had various problems regarding the return of the car.

{Tape: 2; Side: A; Approx. Time Counter: 358 - 427}

Bethaly Wilson, Carroll College faculty member, Helena, said she had gone to see the auto dealer in regard to Ai Matsouka. The auto dealer indicated he was doing as much as he could but in reality he was not required to do anything to solve the problem. After speaking with the Montana Consumer Protection Agency she was told the same thing. Ms. Wilson stated that no one buys a car with the expectation that it will die outside the driveway. This could be a very dangerous situation.

{Tape: 2; Side: A; Approx. Time Counter: 427 - 478}

Opponents' Testimony:

Steve Turkiewicz, Executive Director, Montana Auto Dealers' Association, presented written testimony on Dealer requirements and restrictions, and a Buyers Guide Warranty.

EXHIBIT (buh38a12)

EXHIBIT (buh38a13)

{Tape: 2; Side: A; Approx. Time Counter: 478 - Tape: 2; Side: B: Approx. Time Counter: 143}

Jim Robinson, Executive Director, Montana Independent Auto Dealers' Association, said there had been previous legislation

regarding the 30-day right-of-recision bill. If a used vehicle was purchased, the car could be returned to the dealer within the 30-day time frame. The federal government passed a bill called the Magnuson Boss Act. The Act states that if someone buys a vehicle "as is," without a warranty, the dealer is not responsible for that vehicle after it leaves the lot. If the customer purchases a warranty from the car dealer and there is a problem with the car, it can be returned to the dealer who is required to fix the car or return the money.

{Tape: 2; Side: A; Approx. Time Counter: 143 - 295}

Mark Taylor, Board of Directors, Montana Independent Auto Dealers' Association, said this bill would create an unfair competition. If the consumer is forced to buy a warranty, the cost of that warranty will be included in the price of the car.

{Tape: 2; Side: A; Approx. Time Counter: 295 - 325}

Stewart Doggett, Montana Manufactured Housing & RV Dealers' Association, said conversion vans would also be impacted by this bill. Used cars are taken in on trade and the RV dealers are concerned about warranty if the car is resold. Prior to purchase, the VIN number of a car can be traced on the internet.

{Tape: 2; Side: A; Approx. Time Counter: 325 - 354}

Jim Haagenson, President, Montana Independent Auto Dealers' Association, said he opposes this bill.

{Tape: 2; Side: A; Approx. Time Counter: 354 - 381}

Candace Payne, Montana Car Rental Association, said 70% of used cars are purchased at auctions from used car dealers.

{Tape: 2; Side: A; Approx. Time Counter: 381 - 429}

Informational Testimony:

Cort Jensen, Consumer Protection Office, was informed by CHAIRMAN McKENNEY to be identified as a proponent of the bill instead of merely providing informational testimony. **REP. BITNEY** asked that the Chairman rule Mr. Jensen as a proponent of this bill. **CHAIRMAN McKENNEY** so ruled.

Questions from Committee Members and Responses:

REP. MORGAN asked Mr. Turkiewicz to explain the sentence in the Warranty section, state law subsection, "Under the service contract, implied warranties may give customers additional rights." She then asked what "implied warranties" were. **Mr. Turkiewicz** said he was unable to answer the question.

{Tape: 3; Side: A; Approx. Time Counter: 1 - 54}

Closing by Sponsor:

The sponsor closed.

{Tape: 3; Side: A; Approx. Time Counter: 55 - 121}

HEARING ON HB 638

Sponsor: REP. CHRISTINE KAUFMANN, HD 53, Helena

Opening Statement by Sponsor:

REP. KAUFMANN said this bill required accountability for business subsidies from state and local governments. She then explained the bill.

{Tape: 3; Side: A; Approx. Time Counter: 126 - 245}

Proponents' Testimony:

Don Judge, Teamsters Local 190, said he supports this bill.

{Tape: 3; Side: A; Approx. Time Counter: 245 - 375}

Mary Caferro, Coalition of Low Income Families, said there is a link between government money being spent on business subsidies and human services subsidies. She said it is essential that government investment be prudent, with measured outcomes. Her organization wanted a consistent policy across the board.

{Tape: 3; Side: A; Approx. Time Counter: 375 - 444}

Darrell Holzer, AFL-CIO, said all investors must have at least some degree of assurance they are making good investments. The defining issue regarding investments is whether or not we are moving in a positive direction.

{Tape: 3; Side: A; Approx. Time Counter: 444 - Tape: 3; Side: B; Approx. Time Counter: 12}

Gene Fenderson, Montana Progressive Labor Caucus, said they support this bill.

{Tape: 3; Side: B; Approx. Time Counter: 17 - 37}

Opponents' Testimony:

George Bennett, Attorney at Law, Montana Bankers' Association, said his organization sees this bill as unnecessary and expensive. The banks in Montana participate in many ways in loans, loan participation, Board of Investments and many more programs. This bill will enable the lending of money at less-than-the-commercial rate if deemed to be subsidy. This bill is

an insult to the good public officials in Montana and the good people who run businesses in Montana.

{Tape: 3; Side: B; Approx. Time Counter: 37 - 124}

Tom Ebezry, Attorney at Law, St. Vincent Hospital, St. James Hospital, Holy Rosary Hospital, said this is one of the most confusing bills. They oppose the bill.

{Tape: 3; Side: B; Approx. Time Counter: 124 - 154}

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

The sponsor closed.

{Tape: 3; Side: B; Approx. Time Counter: 376 - 468}

ADJOURNMENT

Adjournment: 12:00 A.M.

REP. JOE MCKENNEY, Chairman

ALBERTA STRACHAN, Secretary

JM/AS

EXHIBIT (buh38aad)